GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3031
ANSWERED ON:02.08.2002
REVAMPING OF TEA AUCTION SYSTEM
KAMBALAPADU E. KRISHNAMURTHY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are contemplating to revamp the tea auction system to bluster the tea prices; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) Yes Sir.

(b) The Government/Tea Board had commissioned M/s A. F. Ferguson & Co. to undertake a study on the primary marketing of tea in the country which included review of the present auction system, role of auctions in primary marketing of tea, marketing of green tea/tea by small tea growers/bought leaf factories and scope for introduction of electronic bidding process. The final report of the consultant submitted in July 2002 has made recommendations regarding changes in auction system and rules including lot size, divisibility of lots, sampling, prompt date, re-opening of bids, introduction of ex-estate sales, proxy bidding, catalogue closing time, marketing of green tea leaf by small growers and made tea by bought leaf factories etc.

Reforms in the auction system are expected to lead to removal of market imperfections and establishment of an efficient price discovery mechanism.